



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

June 30, 2006

Headquarters, U.S. Army Corps of Engineers
Attn: CECW-P (IP),
7701 Telegraph Road
Alexandria, VA. 22315-3860

Re: Final Environmental Impact Statement (FEIS), Craney Island Eastward Expansion, Construction of a 580-acre Eastward Expansion of the Existing Dredged Material Management Area, Port of Hampton Roads, Norfolk Harbor and Channels, VA. CEQ # 20060219

Dear Mr. Walters:

In accordance with the National Environmental Policy Act (NEPA), Section 309 of the Clean Air Act, Section 404 of the Clean Water Act (Section 404), and the Council on Environmental Quality (CEQ) regulations implementing NEPA (40 CFR 1500-1508), the U.S. Environmental Protection Agency (EPA) has reviewed the Final Environmental Impact Statement (FEIS) for the proposed 580-acre Craney Island Eastward Expansion of the Existing Dredged Material Management Area, and construction of a Port for Hampton Roads. The FEIS has been developed by the U.S. Army Corps of Engineers based on the Draft Environmental Impact Statement (DEIS) presented to the public and the regulatory agencies in November 2005.

The Craney Island Eastward Expansion is a proposed extension of the existing Craney Island Dredged Material Management Area (CIDMMA) and the development of a port container terminal. By expanding the CIDMMA, the project proponent's objectives are to extend the useful life of the dredged material management area as well as to build long term berthing and land side port facilities. Our comment letter of November, 2005 on the DEIS discussed the EPA's issues and concerns on the proposed project.

The FEIS has adequately assessed the affected environment and environmental consequences of this project; however, EPA continues to have concerns regarding the environmental impacts anticipated in the construction of the project. Our concerns are based primarily on the success of the mitigation in compensating for the environmental loss. As described in the mitigation plan developed for the FEIS, the mitigation was based on a habitat evaluation approach that assesses the functional productivity lost due to the projects impacts. This approach concluded that approximately 487 acres of

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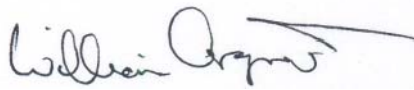


mitigation made up of a mix of wetlands restoration and conservation, oyster reef restoration and sediment clean up and restoration would provide a large scale ecosystem benefit for the affected area. EPA was part of the mitigation committee and agrees that this plan goes a long way in mitigating for the lost environmental resources due to this project. To assure that the mitigation is successful EPA recommended in the comments to the DEIS that an adaptive management approach be implemented to assure the success of the mitigation plan. In the FEIS the Corps has agreed to this approach. We would further recommend that along with the VDEQ and VMRC that any other interested resource agency be invited to participate in the monitoring and adaptive management approach. In addition any approach that would increase the mitigation for this project would be strongly recommended. For example if the cost of sediment remediation could be lowered by allowing the sediment to be placed in the Craney Island expansion cell it should be pursued even though now prohibited by law. Furthermore in light of the enormous economic benefits that will be realized by the port the current mitigation costs are not unreasonable. Additional acres of conservation should be considered.

Our comments on the DEIS indicated our concern that the impacts due to the construction of the port facility portion of the project were not completely developed. We understand that additional NEPA documents will be prepared when more detail on the port development design is completed. This additional EIS will complete the impact assessment of this project and will further detail the issues that need to be addressed.

Thank you for the opportunity to participate in this study, and to provide comments and recommendations on the environmental issues of this project. We look forward to continued participation in this project.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William Arguto', with a long horizontal flourish extending to the right.

William Arguto
NEPA Team Leader

